

PUBLIC RELATIONS

OCTOBER
1956A JOURNAL OF OPINION IN THE
FIELD OF PUBLIC RELATIONS PRACTICE

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**THEATER WITHOUT
A BOX OFFICE**Movies can pack a punch, but
too often we shout when we
should be whispering softly

by Richard Millett

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**EDITORIAL:
"BID FOR
THE UNCOMMITTED"**

PAUL GARRETT

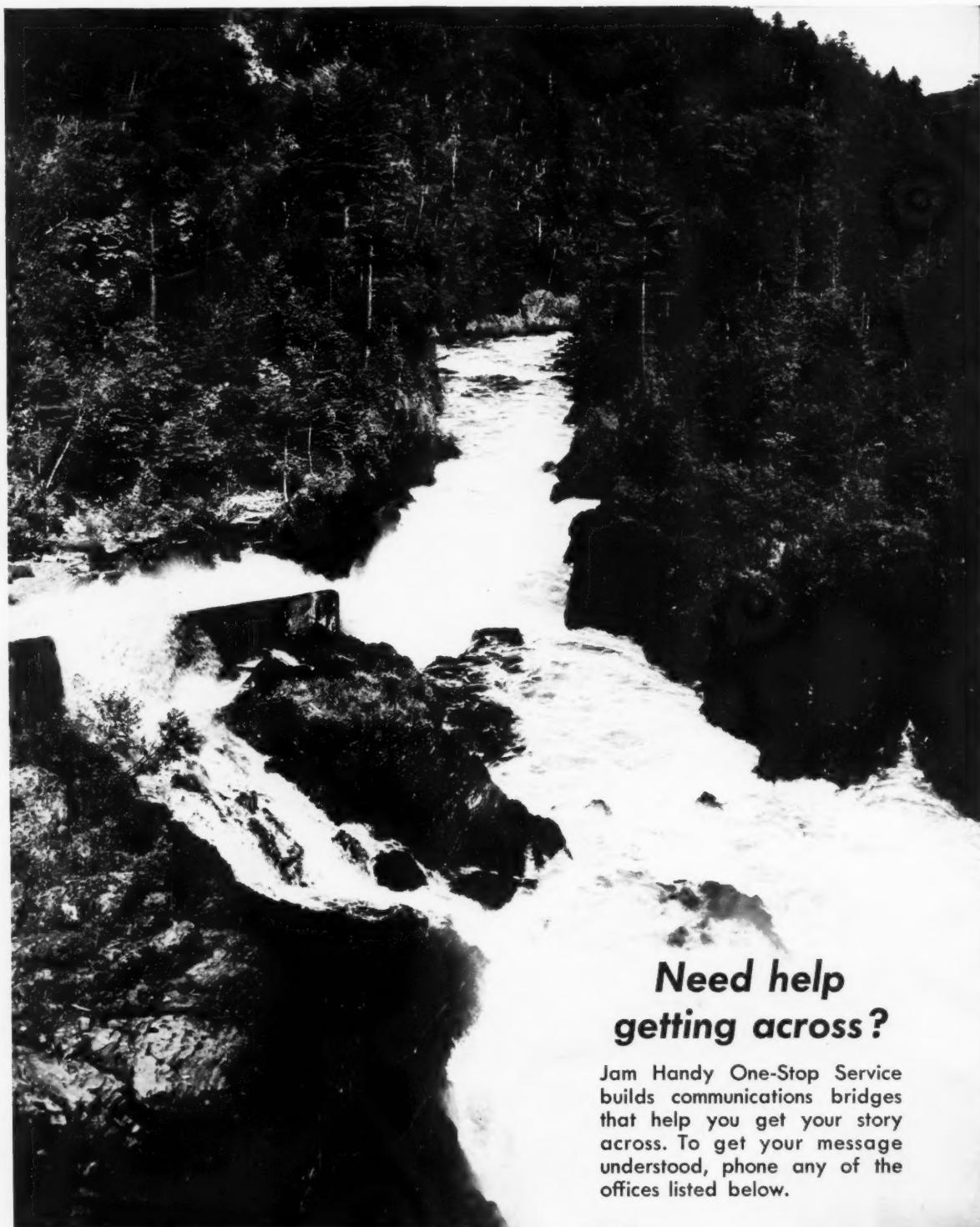
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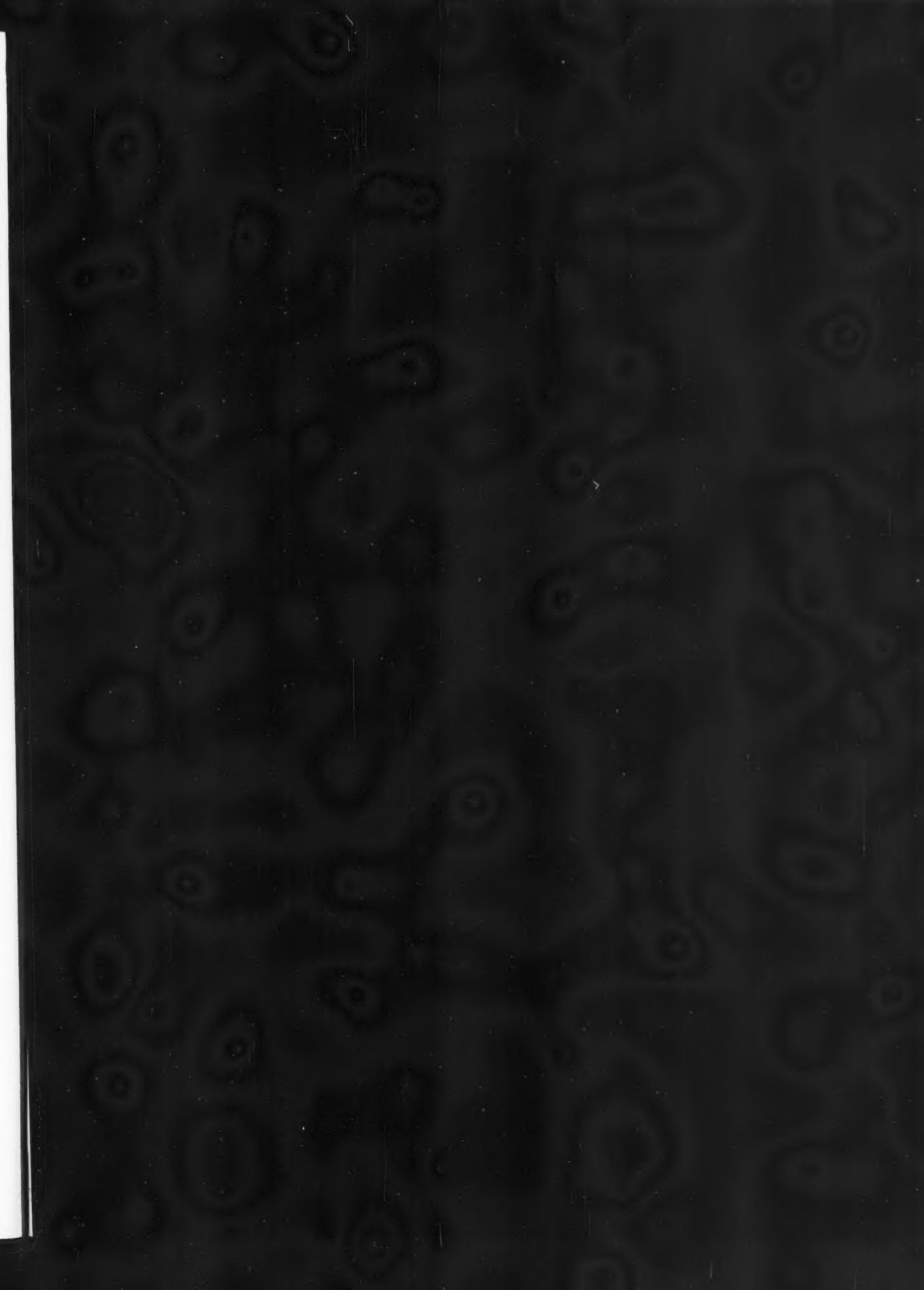
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A JOURNAL OF OPINION IN THE FIELD OF PUBLIC RELATIONS PRACTICE
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ON THE COVER: Back in 1931, PAUL GARRETT left his position as financial editor of the NEW YORK EVENING POST (then under the ownership of Cyrus H. K. Curtis) to become public relations director of General Motors. For 25 years he has been an outstanding leader in the field of business public relations. In 1940 he was one of the first public relations men of a major corporation to be given the title of vice president. He was also one of the first to recognize that the success of a public relations program depends heavily on the success of the advisory function, which in turn depends on ability to win the confidence of management. He is a graduate of Whitman College in the State of Washington, a Phi Beta Kappa, and has been honored on many occasions by the public relations profession.



Editorial

BID FOR THE UNCOMMITTED

Very likely the greatest public relations problem of our time is the problem of the West in trying to obtain and hold the allegiance of that portion of the world which is non-Communist.

The problem that we face was ably pointed up recently in "The News of the Week in Review" section of *The New York Times*. We know no better way of setting it forth than to reprint the *Times'* summary of the situation which they labeled "Moscow's Bid for the Uncommitted." The article reflects, in our opinion, a keen grasp of the situation and documents well the adaptations of the Soviet line to the individual nations involved.

The *Times'* account begins by quoting Secretary John Foster Dulles at the Suez conference as saying that, whereas most of the countries there were trying to find a way to a peaceful and fair solution, there was an exception and that the exception was the Soviet Union which was carrying on through its Arab language radio a "vicious" type of propaganda denouncing the plan as "imperialism" and "colonialism."

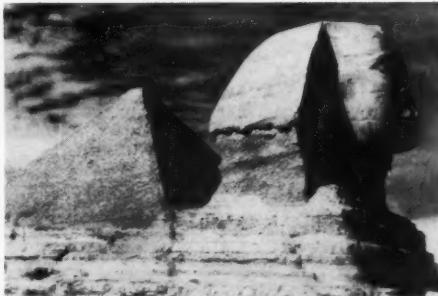
"Mr. Dulles," said the *Times*, "had put his finger on a problem less striking, for drama and immediacy than Suez, but far more basic. It is the intense struggle between the Western and Communist worlds for the allegiance of a vast middle area—the Afro-Asian world.

"Geographically, the middle area runs half-way around the world—from the southern Pacific through Asia and past Suez to the heart of Africa. It is inhabited by a third of the world's population—an estimated 800 million persons, most of them non-whites. Miserable poverty, rapidly rising birthrates and shortages of capital and technical know-how make economic improvement a vital concern. But green memories of colonial domination and, in some cases continuing struggles for independence, make nationalism even more important.

"Moscow launched its bid for the Afro-Asian world nearly a year ago by sending arms to Egypt. The Bulganin-Khrushchev visit to India last December gave it new force and dimension. Ever since, it has been carried forward steadily.

"To transmit its views to the people of Asia, the Middle East and Africa, Moscow relies chiefly on two means of communication—radio broadcasts and good-will missions.

Radio. The Soviet Union, Communist China and the satellites broadcast a total of 2,024 hours a week to all non-Communist countries. Nearly a third of the broadcasts go to Asia and Africa in a wide variety of languages, including Arabic, Persian, Bengali, Hindi, Tadzhik (for Iran and Afghanistan) and Japanese. Radio Moscow alone beams to India nine



THE BATTLEGROUND
To ancient scenes, new perils

broadcasts a day—in English, Urdu, Bengali and Hindi—for a total of four hours and fifteen minutes. In the past year, North Korean transmissions to Japan and South Korea have jumped from 17½ hours weekly to 56. Russian broadcasts to the Arab world have risen from 14 to 17½ hours weekly.

Good-will missions. Exchange visits of legislators, officials, artists, sports teams and professional groups are almost a daily occurrence. In the first six months of 1956, the Russians sent seventy-

two such missions to the Near East and twenty-seven to the Far East, including four separate delegations to Afghanistan, fifteen to India, six to Lebanon, two to Saudi Arabia and five to Pakistan.

"Moscow has received fifty-two delegations from the Near East and Africa, and fifty from the Far East. Among the visiting 'V.I.P.'s' over the past year were Nehru of India, Prince Sisavong of Laos, the Shah of Iran.

"Last week provided dramatic illustration of the intensiveness of this exchange program. President Sukarno of Indonesia was in Moscow. So was a delegation of Ceylonese officials. Students from Algeria, Tunisia and Burma played leading roles in a Youth Congress in Prague. Soviet musicians were touring Afghanistan. A team of weightlifters from Communist China was performing in Indonesia.

"At every point on this immense sounding board the Communists beat one steady theme. It is that the West—described in lurid colors of colonialism, imperialism and racial segregation—opposes, while the Soviet Union shares, the aspirations of the masses of Asians and Arabs. But this argument is shaped and shaded to fit myriad local situations and tensions. This is what the Communists are saying in key spots in Asia and Africa:

India. The Communists stress racial discrimination in the U. S. and hark back to Britain's domination of the sub-continent. They charge that U. S. aid offers are tied with military strings, and assert that the U. S. policy of alliances jeopardizes world peace. The Communists have supported India's claim to Goa and Kashmir, and they emphasize that chief opposition to these claims has come from Portugal and Pakistan—both U. S. allies.

Egypt. The Communists charge that the Western plan for internationalizing Suez is a menace to Egyptian sovereignty; that Western offers to assist in the building of the Aswan High dam project were withdrawn when Cairo refused to join in a Middle East Defense Pact. They contrast their own huge arms shipment to Egypt with Western support for Israel.

North Africa. The Communists support the nationalists battling the French in Algeria, and endorse the demands of extreme nationalists in Tunisia and Morocco for severance of all ties with France. They point out that France is allied with the U. S. in NATO, and charge that the French army uses planes and ammunition furnished by Washington.

Indonesia. The Communists make much of their support for Indonesia's struggle for independence against the Dutch after the war, and stress the possibilities of trade. A *Pravda* editorial welcoming President Sukarno last Tuesday and rebroadcast by Radio Moscow, declared: 'Business-like co-operation with the Soviet Union *** is of particular importance to the Republic of Indonesia today when she is determined (to root) out the onerous colonial heritage.'

Cyprus. The Communists charge that Britain and the West in general are using the island as a military base to dominate the Mideast. They say British opposition to Cypriot independence reflects the basic Western strategy of maintaining colonial footholds.

"Exactly what effect the Communist campaign is having is difficult to measure. But the impact is apparent at every turn — in broad Asia-Arab sympathy for Soviet disarmament proposals; in refusals of some countries to accept Western aid or join in Western-spon-



GLOBAL STAKES
A third of the globe's inhabitants

sored defense pacts; in such incidents as the cool reception given Chief Justice Earl Warren on his current tour of India. Out of these feelings there is crystallizing, chiefly at the United Nations, a broad body of world opinion instinctively opposed to the programs and policies of the West.

"In seeking to reverse the drift, the West holds some impressive assets. Announcement last week of a \$350,000,000 food grant to India pointed to what is probably the most important weapon — economic aid. In addition, the United States has a good record on colonialism. For example, Washington, more than any other single foreign capital, was responsible for pressing the

Dutch to get out of Indonesia. Lastly, the Soviet Union is highly vulnerable to Western counterattack.

"Millions of Asians are submerged within the boundaries of Russia. Native leaders from India to Africa fear the local Communist parties. Countries bordering Russia and Communist China know what happened to the Baltic and Balkan countries and to Tibet. Moreover, Russia continues to build up her nuclear might. Two new test explosions by the Soviets were made known last week by the White House, the second announcement being confirmed from Moscow. And as President Eisenhower pointed out the Soviet tests, unlike this country's, have been conducted in conditions of 'wartime secrecy.'

"But turning these assets to account requires a concerted effort. The consensus is that to date the West has not yet developed an organized program to match the Communist campaign in Asia, the Mideast and Africa."

The organization of such a program stands as the greatest challenge today to professional public relations. The editors of this magazine regard it as of such importance that they have arranged to have the lead article for the November issue on this subject by Conger Reynolds who, after 26 years in industrial public relations, now heads the Office of Private Co-operation in the United States Information Agency.

Ninth National Conference To Be Held Nov. 26-28

The 9th National Conference of the Public Relations Society of America will be held in Milwaukee at the Schroeder Hotel, November 26-28, with the Milwaukee Chapter of PRSA serving as the Conference host.

Last year at the 8th National Conference which took place in Los Angeles, the Conference registration totaled 1,250; but this year the attendance mark is expected to surpass that figure. Conference participants are anticipated to come from all over the United States and from several foreign countries.

Registration will begin on Sunday, November 25, for those who arrive early, but the 9th Annual Conference won't get under way officially until 9 a.m. Monday morning when Ken Haagensen, director of public relations, Allis-Chalmers Manufacturing Company, Milwaukee, as General Chairman of the Conference will make the wel-

coming address to the delegates. Mr. Haagensen's opening address will be followed by remarks and a general report by W. Howard Chase, president of PRSA, and president of Communications Counselors, Inc., New York City.

At 4 p.m. Sunday the Conference Exhibits totaling 47 in all will open formally.

Sunday evening at 5:30 the Wisconsin Chapter will hold a reception for the convention delegates.

The First General Session, "The PR Aspects of the National Election," will begin at 9:30 a.m. on Monday, November 26, and will be followed by the Second General Session—"PR Aspects of Labor-Management Relations" — at 10:40 a.m. "PR Aspects of Secrecy," the topic for the Third Session, will precede the Annual Business Luncheon which will be held at 1 p.m.

Tuesday morning from 9 to 10:10,

five simultaneous clinic-workshops have been planned—including "Financial & Stockholder PR," "Social Science Research in PR," "Trade Association PR," "Women in PR," and "PR as a Sales Tool". Six more sessions are scheduled between 10:30 and 11:40 a.m.: "PR in International Relations," "PR Programming, Budgeting, Organization and Administration," "Corporate Contributions," "Farm PR," "PR Use of Audio-Visual Aids," and "PR in Religion."

At 12:30 Tuesday the luncheon will feature an address by the incoming president of PRSA for 1957.

At 2:30, six clinic-workshops will take place until 3:40 p.m. They are: "PR for Government Agencies," "Measurement of PR Results," "PR for Education," "Relations with PR Clients," "PR in Emergencies, Crises, Disasters,"

Continued on Page 28



Competition In Transportation Has Been Good For You!

Nowhere else in the world does the businessman, the farmer, the consumer enjoy the kinds and quality of transportation service available here in the United States.

Under the spur of competition, the trucking industry makes remarkable improvements in terminal operations through efficient mechanization — railroads strive to cut running time — airlines tailor air-freight to shipper requirements — the whole field of transport service researches, adapts, changes and improves.

This is service competition which benefits everyone concerned — which has given American agriculture and industry the finest transportation in the world.

Now, some would like to throw the emphasis on virtually unrestricted rate competition. We tried unrestricted rate competition once before — and it nearly wrecked our developing country. Now we have vigorous price competition, to be sure, but with built-in safeguards to protect shippers, carriers, and public alike.

Does service competition result in lower costs to the public? The answer is that all transportation today receives less of the national sales dollar than it did in 1929, although performing far more service for every dollar received.



... the businessman



... the farmer



... the consumer



AMERICAN TRUCKING INDUSTRY

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If You've Got It . . . A Truck Brought It!

Viewed from the vantage point of 1956, it is not too much to say that the public relations profession has scored advances and attained a growth that few would have dared envisage in its early formative years. This phenomenal growth has come largely in the broad field of corporate public relations wherein the writer has worked for 25 years.

It is hardly necessary to document this development with statistics or graphs. As a group of professional practitioners, we have grown substantially in numbers and more importantly in stature. We have made tremendous strides in improving the art itself. We have refined our techniques and built our know-how. Month by month now, the pages of this JOURNAL demonstrate that efforts in this direction are continuing, and at a lively pace. This is one mark of a true and dynamic profession.

But there is one direction of growth that goes beyond all others in its impact on the future of corporate public relations. It is a basic development that has raised public relations to a new high plateau. I refer to the recognition now on the part of every management that public relations in some form must play a part in the operation of the business. *I refer to a growing recognition on the part of management that every policy decision and every operating move has a public relations aspect that must be considered.* This is a concept that equates good public relations with good corporate citizenship.

Nowadays, industry regards its public relations with great respect. It is a management function right along with research, engineering, distribution, manufacturing and personnel. That is a tremendous advance to have come within so short a period. It has carried the public relations function far beyond the slogan, panacea and publicity stages. It has brought public relations from the anteroom to a seat at the council table.

It marks for the public relations concept a clear "breakthrough" at high policy levels of management within a generation. The growth has not been smooth or easy. Not infrequently, an unexpected political attack, a plant community controversy or questionings about a company's social intent has dramatically highlighted the urgent need for a sound public understanding.

The degree of public relations penetration naturally varies greatly by companies and by problems. It requires careful judgment usually to know just what all the public aspect of a problem involves, and what weight it should carry in a particular decision. A great deal of time and practice will be needed to perfect skill in handling this aspect of the business to get the desired result.

We may not yet have reached plateaus of achievement equal in all respects to other phases of the business. *But I think it may be said that public relations, starting from scratch, has gained stature more rapidly in the past 20 years than has any other management function.*

What of the future?

This breakthrough to a new concept of public relations as a high management function is just the door opener. Our progress to date as a profession may well seem modest when viewed a generation hence. *Even now business leaders are coming into their positions more and more by reason of a competence in handling broad public relations matters, as well as a competence in handling other phases of the business.* That emphasis will grow in line with the psychology of the times. The one sure hope for a full understanding of industry by the public, is that industry's own leaders inevitably will come to

Continued on the Following Page

A New Dimension In Public Relations

by PAUL GARRETT
Vice President, General Motors Corp.

New and challenging opportunities lie ahead for the profession, says one of the most distinguished of its practitioners. But the prospects, he warns, can be realized fully only if we assume sober new responsibilities

WHAT DO THEY THINK? The people of the United States will rule on the success or failure of any U. S. enterprise.



possess an unmatched understanding of people—the way they think, their motives, their aspirations and the way they like to be dealt with.

Public relations is an infant among the professions. It is hardly necessary here to detail the tremendous upsurge that currently characterizes professions dealing with science and technology. The breakthrough in technological progress is likely much more fundamental than most of us think. It will bring new patterns of living. More important, it will bring new patterns of thinking. Our profession like others is subject to the law of progress. Either we move ahead in tune with the times or we fail. We cannot stand still. In this dynamic jet-propelled age new phases of human relationships are bound to evolve. We in public relations must develop an understanding of our broadening problems and opportunities that will enable us to parallel progress in other fields.

In this article I would like, first, to outline three areas in which it would seem we can advance public relations techniques toward greater effectiveness; and, second, to suggest several policy areas that in my opinion will have an important place in the public relations thinking of management over the next twenty years.

The three points I would stress in seeking to develop better public relations techniques are:

1. Decentralize the company's public relations approach down to each point of company contact with the public to give a personal meaning to everything said and done.

SOULLESS CORPORATION?

Old images fade as we get closer to the people. Open-house tours, below, help out.



ON STATUS

Industry regards its public relations with a great respect. It is a management function right along with research, engineering, distribution, manufacturing, and personnel. That is a tremendous advance to have come within so short a period. It has carried the public relations function far beyond the slogan, panacea, and publicity stages—from the anteroom to a seat at the council table. It marks a clear "breakthrough" at high policy levels . . .

ON DECENTRALIZATION

Most managements nowadays want to handle themselves right with the public. Their top policy thinking is well intended. But the good policy and the responsibility that goes with it become watered as they pass down to the public from one layer of management to another. A good policy means little if nothing is done about it. What counts is how the policy is put into effect by the company at the point of public contact.

2. Master that sense of timing which knows exactly when to do what.
3. Develop an inquiring mind ever in search of new ideas for building the desired public understanding.

Most managements nowadays want to handle themselves right with the public. Their top policy thinking is well intended. But the good policy and the responsibility that goes with it become watered as they pass down to the public from one layer of management to another. By the time a policy reaches the point of contact with the public sometimes it is all but lost. A good policy means little in public relations if nothing is done about it. What counts is how the policy is put into operation by the company at the point of public contact.

In my own company the top policy committee concerned with operations formally adopted many years ago a policy designed to decentralize the job of handling community relations. It read in part as follows:

" . . . apart from any personal responsibility as a citizen of the community in which he resides, every Corporation and divisional executive has an obligation to help maintain the position of General Motors as a good responsible citizen of the community."

I have often thought how fortunate we are in our profession that amateurs to the field can be taught to do a good

job in it. I know scores of plant managers, engineers, production experts, personnel people, financial men—all doing a splendid public relations job, each in his own sphere. Every day they cover bases that a public relations staff as such could never hope to touch.

What an organization grown large usually needs most is to put public relations on the personal plane that is natural in a small business. Most people like to do their business with folks they know and trust. They pretty much make up their mind about a company by what they know of the folks in the company.

A frequent public relations practice is to classify our different "publics" into stockholders, suppliers, community neighbors, customers, dealers or youth organizations. Then we sit back and figure what "approach" each of these public groups might be receptive to. Then we write a booklet for each group. Each member of the same group gets the same booklet. This is perfectly all right as far as it goes, but it does not of itself supply the personal touch that is needed.

One individual of the stockholder group, for example, does not necessarily respond to the same influences that affect other stockholders. He may be more concerned over his relationship as a customer or an employee or a supplier or a community neighbor than over his dividends. With another a belief in the management may be the only thing that counts.

a la Garrett

ON TIMING

Timing is the art of knowing when to do what. Timing what we do is almost as important as what we do. Management found long ago that it is poor timing to pick Christmas week for a layoff. When operations dictate some step which might annoy folks, a well-timed explanation before the fact can forestall criticism—and save the embarrassment of an apology. Good timing of a move can enhance its public impact.

This is the rationale of the decentralized approach to public relations. The more we can atomize our contacts the better off we shall be. More and more people will come to think well of the company as they think well of folks connected with the company that they know and like and respect. The old image of a "soulless" corporation will fade away.

Now let us consider the second major element in our public relations techniques for the future—*timing*. *It is the art of knowing when to do what. Timing what we do is almost as important as what we do.*

Management found long ago that it is poor timing to pick Christmas week for a layoff. We all realize that when operations dictate that the plant take some step which might annoy the folks in the town, a well-timed explanation to the community *before the fact* can forestall criticism—and save the embarrassment of an apology. On the positive side the appropriate timing of a move can vastly enhance its public impact.

Effective timing demands a keen awareness of people's ever-changing moods and emotions. We must become mindful of what bothers people, what makes them happy or unhappy about our organization. To this end we have available useful scientific tools for public relations—which I know will be further improved in the future. By all means, let us use these tools.

But here, too, I come back to the per-

ON CAREERS

Top management in industry is finding it all but impossible to discover men competent to guide them in the broad levels of public relations policy where they desperately need and want help. The young man seeking a career in public relations today need not worry whether the president of the company will appreciate his talent. What we all need to worry about is how we... can build our competence to carry the load.

sonal element so important in public relationships. *If we keep close to people, we shall make very few mistakes in timing.*

As a third area for progress in our techniques, let us develop the attitude of the *inquiring mind* in search for new and imaginative ideas for launching a public impression.

The inquiring mind is never satisfied. It assumes that anything and everything can be done better. This is an attitude that leads to a constant search for facts—that will follow a fact into new and unexplored territory.

Our scientific laboratories are filled with men of inventive genius ever in search of something new, but nowhere in the business is more imagination required for progress than in public relations. It requires imagination of the highest order to devise ways to lodge an impression in a person's mind with regard to a company's policy or product or management.

Imagination in the use of public relations can be a powerful ingredient in merchandising. It can provide a rocket assist to tried and true selling methods. And here let us not overlook the uses of showmanship. I know there are thoughtful people who believe that public relations has no place in merchandising. My view is that it has a responsibility to contribute to the progress of the business in whatever area it can effectively do so.

Imaginative showmanship sells ideas,

too—from the concept that "the world is not finished" to the dream in a boy's mind that one day he may become a great scientist. It can turn a dry statistic into a nationwide tribute. It can make a product show a memorable occasion, or a plant open house an event to enthuse the whole community with civic pride.

So far we have considered what are essentially techniques for doing the job better: *decentralizing* the public relations job—putting the entire organization to work on public relations; *timing* organization moves to know when to do what and, finally, cultivating the attitude of the *inquiring mind* in search of new ideas.

I should like now to present briefly some broad problem and policy areas which I feel will be prominent in management's thinking over the next twenty years.

1. Develop Men for Public Relations

Top management in industry nowadays is finding it all but impossible to discover men competent to guide them in the broad levels of public relations policy where they desperately need and want help.

The young man seeking a career in public relations today need not worry whether the president of the company will appreciate his talent. No. The shoe is on the other foot. What we all need to worry about is how we in public relations can build our own competence to carry the load.

Therein lies one of the most serious problems that face us as we look forward. We find satisfaction in the observation that public relations has achieved

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INTELLECTUALS ALOOF?
Better understanding between business and campus thought is a definite necessity today.





Theater A Box

by RICHARD MILLETT

Former Director

MARCH OF TIME

and motion picture section

CENTRAL INTELLIGENCE AGENCY

The author (right) discusses the film report of GM's Motorama, which he directed. Others, left to right, are: Richard de Rochemont, producer; John Charles Daly, commentator; Harlow Curtice, president, GM.

Experience both in the business world and in government service has shown me that as a people we have grown so accustomed to motion pictures of all types that we almost instinctively turn to this medium for presenting an idea. But we do not give enough thought as to its practicality or effectiveness.

All too often does one hear, "That's a good idea. Let's make a picture" rather than, "That's a good idea. Let's see how we can best present it." In many instances, a film will be the best solution. But the decision as to what medium of communication should be used can only be reached after study of the problem and the effectiveness of each medium in the given case.

Since we have all seen so many misuses of non-theatrical films, it would be wise, I feel, to consider the basic characteristics of the motion picture before going on to its utilization.

Affecting both the senses of sight and

sound, the motion picture is one of the most powerful means of communication. The emotional impact is further heightened by the hypnotic quality of watching the lighted screen in a darkened room; and a well made film causes the viewer to identify himself with the action that is taking place before him. The importance of this for the dramatic feature is obvious, but it is equally important for the non-theatrical as well. (Although not a scientist, I was fascinated by a picture of an explosion which had been slowed down by a series of ultrahigh speed cameras from a fraction of a second to several minutes.) What should always be borne in mind is that the viewer must be kept so interested in what he sees that the subconscious link between himself and the action of the film is sustained during the entire presentation.

For this reason, it is usually true that the average viewer will be more interested in and be more affected by a story which has a human interest value rather than an impersonal one. The exception to this comes when the material presented shows how he is personally affected by the impersonal subject matter.

As a final observation on the question of self-identification and interest, the Penn State Studies shows that once the viewer no longer feels identified with what he is watching, his interest ceases and there is a subconscious reaction of revulsion which will undo any good that he may have received from the film.

I have emphasized the word "see" since it is the eye rather than the ear

which conveys the greater impact in this medium, and this raises the consideration of black and white and color. I have long since come to the conclusion that there is a definite use for each. Black and white, because of its tonal effects, is best suited for "dramatic" stories in the true sense of the word or for those stories where the color of what is being photographed is not of prime importance. For example, a film requiring low key light with shadow effects, as say, a mystery or intrigue story, would lose quality by being made in color. Further, to make a color picture on the value of, let us say, milk and its proper handling would be pointless, since the story could be told equally well in black and white.

On the other hand, color is necessary when it is an integral part of a film as in, say, a demonstration of a scientific experiment where a metal may change color under various processes, or for sales, or to show what a foreign country is like as in a travelogue. Cost of production forces the decision as to what type of film shall be used and this must be weighed against the film subject and its use.

The second major characteristic of the motion picture is the fact that it is a mass communications medium. This includes both strengths and weaknesses. It can reach a vast audience and can be viewed by people of different language and cultural groups who will grasp the broad sweep from the picture alone and will be further affected by sound in their own language.

RICHARD C. MILLETT has a wide experience in the motion picture field and has directed a number of documentary and other films. A Princeton graduate, he joined *March Of Time* in 1947, later becoming director, and was for a time in charge of the Paris office. He resigned in 1951 to create a training film unit for the Central Intelligence Agency. Since returning to a private capacity in 1955, he has been making films for a wide variety of institutional and industrial clients, including General Motors, *Crusade for Freedom*, Reynolds Metals and the Brooklyn Archdiocese.

Without Office

Special purpose movies using techniques tested in Hollywood successes pack a punch but be sure your story is film fare

Since it can be seen by so many people, it follows that the subject matter should be such as to be of interest to as many as possible, and this requires careful consideration of content before a decision is reached on whether or not to produce a film. If the subject is of interest to only a very few people, then it might be wiser to use another medium such as a book, article or poster. Further, the reaction by different groups to a film must be considered, for what may be interpreted in one way by one group may be interpreted far differently by another. The same is true of the language to be used. Is the sound track understandable to the group to which the film is aimed? This may appear puerile, but during the war there was a famous example of how a very sound idea backfired. When the Allied Forces seized the radio station in Algiers, they immediately put in special Arab-speaking broadcasters to talk to the population. The idea was fine in principle but failed in execution, since they spoke in the wrong type of Arabic with the result that the native population turned off their receivers and thereby negated Allied attempts to communicate with them. With a film, then, the language for the sound track and the customs presented must be understandable and in good taste to all people to whom the film will be shown.

On the other side of the coin, there are the inherent weaknesses of the mass. So that the audience will not feel "talked down to," the film must reach

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A FULL CYCLE IN CUSTOMER SERVICES



SELF-SERVICE



TO SPECIAL SERVICE



BACK TO SELF-SERVICE

EDITOR'S NOTE: For those companies which have to deal with millions of customers, public relations is profoundly affected by the attitude of the customers toward the company. In looking for a company with good customer relations, it seemed that on the whole the airlines are close to the top; and the United line to be one of the good ones. Therefore, this article was requested of Walter H. Neff, Special Assistant to the President of the United Air Lines.

As a peak hour in summer this year some 25,000 passengers were flying on 665 scheduled airlines in the United States. In 1956 the airlines will carry a record high total of forty million passengers, more than double their volume of only a few years ago. And there are reliable estimates that the 1956 total will double by 1965.

There are many reasons for this astonishing record of growth. The basic one, of course, is speed of transportation. But there are others, and one of the most important is the reputation the air transport industry has for maintaining good customer relations.

At the conclusion of a recent flight from Chicago to Los Angeles, veteran Captain Cliff Chaney, a DC-6 pilot, embellished his usual cryptic trip report as follows:

"We ran into a line of thunderheads as far north and south as the eye could see. Normally this would have meant an extensive detour but, on scanning with the radarscope, a 20-mile corridor between two large TRW (airline code for Thunderstorm Rain Shows) cells could be seen. The activity extended 100 miles to the north and the south; it was clear to the west.

"Without radar, I wouldn't even have thought of going into this deep, black, ugly-looking cloud mass. And I wasn't too sold on doing it with radar. But, knowing we have to trust our instruments, I 'battened down the hatches,'

WALTER HOLT NEFF, whom everyone calls "Bob" for reasons unknown, is one of the best-known men in aviation. He was aviation editor and railroad analyst of the *WALL STREET JOURNAL* in 1935 when he joined United Air Lines' publicity department. In 1939, he went with Pan-American as assistant director of public relations, returning to United in 1946 after extensive Navy duty, and is now special assistant to the president. He likes tennis, piano playing and poker and is a rabid fan of both Yale and the New York Yankees.

slowed down the plane and entered the clouds.

"Surprise! Heavy rain but smooth. After a few moments of confidence building, we resumed normal cruise speed and, after 40 minutes on instruments, broke into the clear. It was as good a ride as I've ever had.

"The passengers had been told we were radar-equipped and some nice compliments and comments were made to the stewardess."

That trip was Captain Chaney's first contact with the new thunderstorm radar now being installed on United's entire fleet as each plane undergoes periodic overhaul. The installation is costing four million dollars. But United figures it's worth the price because, as its pilot points out, it's good passenger relations. Additionally, it's providing added safety and economy by reducing circuitous, off-route flying and giving added dependability.

Good passenger relations are becoming more and more important to the airlines in their overall public relations planning. This is increasingly true as each year records new converts to flying and air transportation enters into the "mass customer" category.

The airlines are happy to emerge from the status of an "emergency" or luxury business into the limelight of "big business" and mass transportation. But in so doing they realize that good customer relations are even more important to the success of their long-range public relations program than in the days when they were growing up. And in some ways as their business grows, they find good customer relations harder to maintain.

Generally and comparatively speaking airline customer relations have been and continue to be good. Traffic growth has been partial testimony to this fact. While industry properly can take credit for this good record of keeping the flying public happy, actually it has had no other choice. For the airlines have been trying to sell something that is against the public's instinct to buy—namely the instinct to keep one's feet on the ground. This problem confronts them now and will continue to stare them in the face for a long time. Of the forty million people carried this year, only some ten million different names were registered on airline manifests, it has been estimated. The rest of them were repeats. Yes, the industry has a long way to go.

Without good customer relations the
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Tough Customer Is He Always Right?

Right or wrong, he's hard to please and his vocal criticisms often shape broad public reactions

by WALTER H. NEFF
United Air Lines



CUSTOMERS of nation's carriers have demonstrated great power. Railways have wooed favor with travelwise innovations like vista-dome train. Passenger approval of airline, below, has been responsible for growth of air travel.



Security Analyst: A One-Man Public

Widening base of stock ownership brings new public relations importance to the specialist who focuses study on investment possibilities

by HAROLD M. GARTLEY
President, Gartley & Associates, Inc.

Only a decade ago it was rare for a top industrialist to appear before a meeting of security analysts and disclose to them vital financial facts about his corporation. Today it happens all the time. The New York Society of Security Analysts is booked up so far in advance that a speaking date must be scheduled several months ahead.

What this proves is that the progressive-minded management realizes how important it is to tell and retell its Company story to the leaders of investment opinion.

A fair evaluation of a Company's securities in the investment marketplace has a real, if intangible, asset value. That is because it reflects investor approbation of management, credit rating and competitive strength. This is especially important to the up-and-coming company which foresees the time when it may have to come into the money market to finance further growth. Or, if its planned growth is by merger or acqui-

sition, the market price of its stock can be a governing factor. In a sense, our competitive capitalism involves a corollary competition for recognition in the securities markets.

To penetrate with a company story by impressing the leadership of investment opinion involves a number of factors. Center of the informational target is the security analyst audience, which is collectively represented by the 5,300 members of the National Federation of Financial Analysts Societies in the nation's principal financial centers, from Boston to Los Angeles.

To discuss the importance of the security analyst, let us first put his professional environment in historical perspective. Truly, it is axiomatic in public relations work that popular impressions or half-truths tend to linger long after the conditions which caused them have changed or ceased to exist. In this instance, let us recall the speculative excesses and public mood during the stock market boom of the late 1920s when—at least, in popular misconception—stocks were prone to be bought and sold on tips heard in a barber's chair or from a next door neighbor. The predatory speculator bought on low margins for quick turns. What little investment research done then was by a "statistician" in a stock broker's office, and his references were the manuals and published reports of Standard Statistics, Poor's, Moody's, and Fitch. His job was largely to dig up fast answers to questions sent in by customers. The "Assistant Statistician" was a lowly hireling, indeed!

During the economic storm which en-



sued, the common man felt lucky to have a job. He had no money to invest, and the politico-economic climate was one of discouragement and lack of faith in the future. What few little fellows who did follow the market wanted a speculative run-up for gain.

How different it is today! The entire climate of investment, especially in equities, has undergone a profound change. Investment research today is a profession whose standards of qualification and competence are becoming stricter. In fact, there are security analysts who think that the professional standards are becoming comparable with those of accounting.

There are general reasons for this profound change. One is the historic shift, so greatly accentuated since World War II, in the ownership of American corporate enterprise. From the hands of relatively few rich families and individuals, this share ownership has been migrating to a multitude of small investors. It is a phase of the expanding national economy.

In the past four years, the number of people owning shares in publicly-held companies has jumped 33 per cent to a total of 8,630,000, according to the 1956 Census of Shareowners published by the New York Stock Exchange. This census shows that two-thirds of all shareowners



Many a customer gets impression of a business through a security analyst's appraisal.



EXECUTORS OF PUBLIC APPROVAL: TRADERS ON THE FLOOR OF THE NEW YORK STOCK EXCHANGE

have incomes under \$7,500 a year; that women outnumber men, with housewives and non-employed women constituting the largest single group; that the greatest growth in share ownership has taken place in small communities of from 2,500 to 25,000. It further reports that about 50 per cent of the four-year rise occurred during 1955.

Plainly the ordinary American is today's capitalist to an extent which, at this time, is increasing significantly. Therefore, what the *investing* public thinks of a company and its management is important to that company. It should be borne in mind, also, that shareowners are people who are customers or potential buyers of goods and services.

This great trend has been accompanied by an obvious change in the character of the securities trading market. The buying and selling of securities is on a sounder, better informed basis. A parallel development of immeasurable influence on the market has been the phenomenal growth of institutional investors — investment trusts, mutual funds, pension funds, insurance companies, foundations, labor union funds, and so on.

The institutional investors place big amounts of money into investment on an expert and thoughtful basis for long-term income and capital gain.

The central figure for investment guidance is the security analyst, whether it is the institutional investor or the 30,000 professional people in the securities business who serve the several million investing families.

Who is this security analyst?

He is the researcher whose panorama of study comprises several thousand corporate securities. He may be considered a multiplier of investment opinion, because one alert security analyst can generate interest among hundreds of potential investors. His judgment influences the buying and selling of innumerable individual stocks and bonds, and he is acutely conscious of his responsibility for advising *others* on how to invest their money gainfully. Therefore, he can ill afford many mistakes of judgment. Among fellow analysts he likes to come up first with the right answer about a particular situation.

He is a sophisticate whose trained and skeptical mind demands, and deserves, full and accurate information. His interest in a company goes far deeper than the routine figures of a balance sheet. He has to know a company well, and to have the "feel" of its management at top and middle levels, its competitive strength, industry status and where it is going. The experienced analyst can discern from the corporate

personality, as evidenced by the conduct of the Annual Meeting or its attitude towards shareowners and investment professionals, whether or not that particular management has good and respected relations with its labor force, with the communities in which its plants operate, and even with the human beings who use its goods or services.

In this day of specialization the security analyst is apt to concentrate his knowledge on a particular industry, such as chemical, metal, railroad, consumer goods.

There is a basic reason for his rising professional standards and knowledgeable character. It is that he is usually much better educated in business and finance. The Harvard and New York University Graduate Schools of Business Administration and the Wharton School of Finance, to name only three, exemplify this historic educational development. The universities now are graduating a breed of financial specialists having a keen training in corporate and financial affairs. The investment business after 30 years is again attracting these well-equipped, young graduates. As security analysts, they can demand, and get, good salaries and build good careers.

What is accomplished by the telling and retelling of a company story to security analysts? *Continued on Page 20*

All the Gold in Fort Knox does



Dollar value of gold on deposit at Fort Knox

..... \$12,483,414,764.73*

Combined annual income of Newsweek's 1,070,000
families..... \$13,145,426,000.00

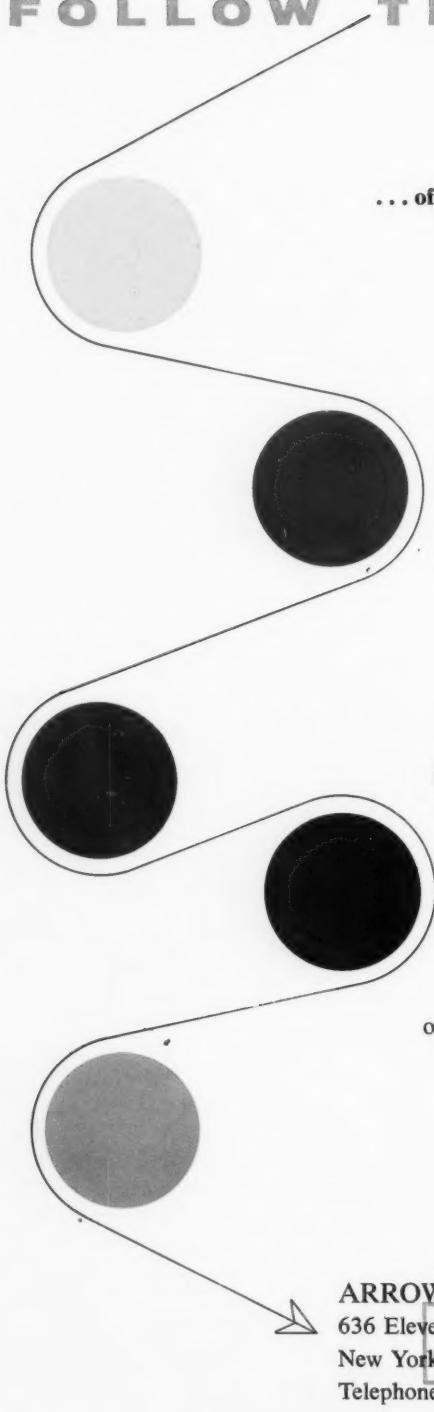
*U. S. Treasury Department (February, 1956)

It doesn't equal the purchasing power
of Newsweek's million-plus families

Serving America's
Most Significant Million



FOLLOW THE LEAD . . .



... of more than fifty leading American corporations who entrusted us last year with the production of their annual reports. Included were the annual reports of the world's largest automobile company, the world's largest oil company, the world's largest steel company.

To meet the needs of these leaders in American industry for fast and dependable delivery, Arrow has invested more than a million and a half dollars in the newest, most modern and most efficient press equipment. Our expanded facilities include a battery of **eight 2-color** presses and **five 5-color** presses — the largest multi-color operation in New York — and the only completely new large letterpress plant in the East.

We have now added a complete creative service through our merger with William E. Rudge's Sons, one of the most honored names in the graphic arts. Over a period of more than eighty years, Rudge writers, designers, artists and craftsmen have produced many outstanding annual reports as well as company histories, brochures, and other public relations material which convey the personality and spirit of prominent corporations in many diversified lines of business.

ARROW and RUDGE, now together in a single corporate structure, offer a limited number of corporations a well-rounded service in the creation and production of annual reports, with the privilege of utilizing only such part of our services as they require.

We'll be glad to show you some of our prize-winning annual reports.

ARROW PRESS, INC.
636 Eleventh Avenue
New York 36, New York
Telephone Circle 6-6890

WILLIAM E. RUDGE'S SONS
130 Cedar Street
New York 6, New York
Telephone BArclay 7-7300

AN INTEGRATED PRINTING and CREATIVE SERVICE ORGANIZATION

A New Look at Institutional Advertising

They've come a long way since the "Dear Moms" of World War II days and even sales have idea content

by WARD B. STEVENSON

Vice President & Director of Public Relations,
Benton & Bowles, Inc.

Ten years ago an economist in Colorado raised this question: "Can the newspapers of the United States legitimately accept advertising designed to influence public policy?"

"Any citizen in a free democracy will resent having ideas and points of view concerning public policy forced on him, in the same way that arguments for toothpaste and cigarettes are crammed down his unwilling throat," he said. "More important," he added, "the irresponsible use of high pressure sales techniques in the field of ideas is a real threat to democracy."

Nearly five years ago, two more economists, Leonard I. Pearlin and Morris Rosenberg, published a paper in the Public Opinion Quarterly purporting to analyze "propaganda" techniques in institutional advertising. Nor is it necessary even to go that far back into his

tory to find criticisms of institutional advertising even within the public relations craft and among advertising men.

However, there are persuasive points of view on the other side.

About the time the economist was holding forth in Colorado, Elmo Roper, in a study made for the American Association of Advertising Agencies, quoted a vice president and treasurer of one of the nation's largest manufacturing companies as saying: "I have heard many debates pro and con on the question of the value of institutional advertising, and I feel that when this is properly done, it is just as good for sales as a display of the company's products itself. Reputation and good will help salesmen as much as any other thing I can think of."

Another executive, who is both the president of an oil company and director of a bank, was quoted by Roper as saying: "I have no objection to any type of advertising that will either build good will or will sell merchandise. I think the cooperative ads that some industries such as coal companies and railroads have been doing, are just as important as individual ads of separate railroads and coal companies."

Nor does the record itself support any broad indictment of institutional advertising. The record shows, among other things, that during the last twenty years the leading firms in almost every major industry have, at one time or another,

Continued on the Following Page



THIS IS A MOSCOW "SERVICE" STATION

Untouched Pictures Show Conditions Motorists Face Today in Russia



195 MPH IN 1929... 693 MPH IN 1954

What new speed will the Thompson Trophy Event set this

In 1929 at Atlanta, Ga., pilot named Doug Davis won the first Thompson Trophy Trophy in his Lockheed "Mystery Ship" at the record speed of a then-record 195 mph. Last year Air Force Captain Engle

advanced in aviation... advances in high-speed plane and engine design... the development of the jet engine... these developments were first revealed in the annual Thompson Trophy event. Last year Air Force Captain Engle

testing and manufacturing parts for both engine and aircraft... in a first of the year that the Bell System... the Thompson... industry... in



SOLDIERS OF THE STORM



These ads* rated high in studies of reader reaction conducted by Gallup and Robinson. Note "newsworthy" approach.

*Top to bottom: American Petroleum Institute, Thompson Products, Bell Telephone System.

LOW PRESSURE SWING



HARD SELL copy, according to a "Time" survey is on the way out, with information type of ads (above) drawing best. More data the better.



CHEESECAKE for the sake of cheesecake is trend hard to check, but ads that do best job are newsy catalogues (below).



in their rise to the place of leadership and dominance, engaged in a substantial program of institutional advertising at either a national or community level. The roster includes, among large companies: General Motors, du Pont, U. S. Steel, General Electric, Union Oil Company, Alcoa, U. S. Rubber; and among smaller firms: Pitney Bowes and the W. S. Rockwell Company.

The record shows, too, year after year, an ever-growing share of advertising space and time devoted to the business of selling ideas rather than products.* The record shows, in brief, that institutional advertising has become standard equipment in the public relations tool kit, and the 1956 practitioner needs to know its uses and its limitations. On the record, one might well conclude that institutional advertising has important uses and values. Even though much of it is not effectively done, much of it is outstanding.

To start, we need at least a working definition of what we mean by institutional advertising. For our purposes it should suffice to define institutional advertising as *any advertising which is intended to convey an idea about an institution as contrasted to advertising intended to convey an idea about a product, or to demonstrate the uses of a product.* In our definition, therefore, we would include so-called public service advertising, ads telling about a company and its policies, and ads promoting the objectives and policies of an association.

Actually, there is as much basis for institutional advertising as there is for the practice of public relations itself. No important institution can avoid having its story told. Sooner or later people gain impressions, form opinions or prejudices about our institutions or clients. Institutional advertising is a means of seeing that these attitudes are based on fact, not fancy. In this sense, institutional advertising is no different from any other part of a public relations program. It is a way to prevent public opinion from being left to chance.

However, institutional advertising has always cost money, and usually has taken substantial portions of the public relations or the advertising budget. In recent years, the required investment has been rising almost geometrically. A

*It is well to remember, too, that even if a company does no institutional advertising as such, most product ads convey institutional impressions about quality and integrity. The institutional overtones of product advertising comprise a whole separate subject that cannot adequately be dealt with here. Nevertheless they are present and are the proper concern of the public relations practitioner.

couple of recent examples will illustrate:

It is estimated, for one advertiser, that the same magazine advertising campaign that this year costs \$700,000 will, in 1957, cost almost \$760,000, using the same space in the same media.

Printers' Ink, last June, reported total advertising costs up 20 per cent since 1950. Or, more particularly, it costs this year \$120 to reach the same number of people; and it costs \$137 to maintain the same kind of an advertising schedule as was maintained in 1950. These figures do not take into account the tremendous shifts in media. Principally, of course, the growing role of television which, if included in these figures, would make the spread even greater.

This simply means that as public relations people, we will be expected to use institutional advertising more and more skillfully, appropriately, and with less and less waste. It costs money to talk to people these days about either a product or an idea. The public relations practitioner of this decade had better be sure he knows how to talk so that people listen—at least he'd better if he intends to use advertising.

Proper analysis, development, and evaluation of a specific institutional advertising program will, of course, differ from one institution to another, and generalizations are always dangerous. There are five principles, however, that can be offered here as a beginning check-list which, if remembered, will minimize statements like those excerpted in the opening paragraphs of this piece. Hopefully, too, if remembered, they will prevent red faces among public relations people who are interested in keeping shareholders' funds out of the proverbial drain.

1. Usually there are a lot of other public relations jobs to do before starting to advertise. For example, given a choice between expending a limited budget on a sound employee information program or on an institutional advertising campaign, the former is usually the better bet, even though the advertising may look prettier. There is nothing than can dilute institutional advertising quicker than an employee or community group who laughs at it.
2. Be sure the idea can be articulated to yourself before trying to communicate it to others. The late Henry C. Link had some excellent advice on this point which amounts to one of the basic "natural" laws governing

Continued on Page 27

How to win
the minds of the men
who own
American business

Many publications offer coverage of "management men" . . . but there is one publication specially geared to help the *owners* of American business meet their day-to-day problems.

That publication is Nation's Business. It is read by more business owners than any other magazine in its field. Of its 775,000 A.B.C. circulation, over 550,000 copies go to owners, partners, presidents—of chemical companies, metalworking firms, banks, retail and wholesale establishments—every type of business, nationwide. Its three-quarter million circulation covers the vast and expanding business market.

Because business owners have a compelling stake in the nation and in their communities, the horizons of these men extend far beyond their own businesses. They are interested in—and they do something about—government problems and community welfare. They are known to their congressmen as articulate business leaders. They are known in their home cities as sponsors of and captains in civic improvement drives of all kinds.

These three fields—business leadership, government problems, and community welfare—are precisely the areas in which Nation's Business concentrates each month. The articles are *informative, practical, useful*.

All this explains why your PR message in Nation's Business will reach business owners when they are concentrating on the dominant interests of their business and civic lives . . . and why Nation's Business can help you win the minds of the people who count.

Nation's Business

means ACTION IN BUSINESS

ADVERTISING HEADQUARTERS: 711 Third Avenue, New York 17, N.Y.
Washington • Chicago • Philadelphia • Detroit • Cleveland
Los Angeles • San Francisco

775,000 paid circulation. Read by 75,000 executives of business members of the National Chamber of Commerce and 700,000 other leaders of the American business community who paid for their personal subscriptions.

Analyst

Continued from Page 13

In summary, the purposes are:

1. To obtain for shareowners a FAIR appraisal by the market of the stock they own.
2. To make a company better and more favorably known in the nationwide financial community—the 30,000 people in the securities business.
3. To generate interest among potential investors, especially for the company which is growing and may have to finance that growth.
4. To broaden public ownership of shares. This makes for a steady market. It is in point to mention here that some dramatic proxy fights have demonstrated how important is the support or non-support of the rank-and-file of small stockholders to management. An informed shareowner is apt to be an understanding one.
5. To secure new capital on favorable terms.
6. To have the leadership of investment opinion posted on company affairs so that if and when earnings decline the investors may keep faith and not unload stock, thus accelerating a downward spiral.
7. To keep apace of competitors. A company must maintain its competitive status in relation to others in its industry.

8. To make the most of competitive opportunities. The influence of financial people pervades the realm of business. Many companies have increased their business by telling and retelling their stories to financial people. Since this discussion is confined to one phase of investor relations—the security analyst audience—it should be helpful to stress an important point or two.

Keep the flow of news factual, timely and conservatively presented. Avoid the fluff and puff of product publicity, because this audience is too skeptical to be impressed by company bias or propaganda.

Have top management tell the truth, even when it may be embarrassing. The security analyst needs to know the unfavorable along with the good news, because he is most apt to like the management which he trusts and in which he believes.

There are certain measures of success in making a company story penetrate the thinking of financial people.

One is the yield basis at which a security sells in the open market. Another is the price-earnings ratio, and the

HAROLD M. GARTLEY, President of Gartley & Associates, Inc., and an elder among security analysts in the New York financial district, combines the professional experiences of both investment analyst and public relations practitioner. The Gartley firm, started in 1920, for years did investment research, stock market counseling and portfolio management. In the past decade its emphasis has been on Financial Public Relations & Stockholder Communications.

Mr. Gartley is a Founder of the New York Society of Security Analysts. He is the longtime secretary of the Analysts Club, an organization of senior analysts, and a founder of the Wall Street Forum, a group of younger analysts whose membership includes some oft-quoted writers of stock market letters to brokerage customers.

spread between bid-and-asked prices. Expansion of the shareowner list is an indicator. Frequency of mention in brokerage letters to customers is another. But most important is that intangible of word-of-mouth reputation had by the company and its management. Selling a company's story in the highly competitive securities markets means as much today as selling goods and services. Good corporate performance is not enough.

The common sense of it is that top management—and the public relations responsibility—should have pride in doing an all-around good job of managing and cultivating the investing public as well as the general public. In recent years specialists within the PR function have developed in labor relations, community relations, and product acceptance. The specialist in investor relations is a new skill for public relations teamwork, and to him the security analyst audience is one requiring his attention.

New Dimension

Continued from Page 7

the stature it has with corporate management. But how are we going to train men in this field to carry the increasingly heavy load that is building for the future? Where will more and more presidents of corporations turn for their future directors of public relations? New opportunities are open right now for men competent to handle the difficult and delicate public relations problems that now face management.

In the years ahead we shall have need for more good people in public relations than ever before. This means we ourselves must train them, *now*. We should give our promising young trainees a chance to move around, and not only

within our own staff. See that they have an opportunity to acquaint themselves with all parts of the business, to develop a viewpoint and an understanding of the public relations aspects of the whole operation.

2. Treat the Customer Even Better After the Sale than Before

It is trite to say that above all else we must consider the customer and his welfare. We all know that. We know that the progress of any business is related directly to the kind of job it does in giving the customer value at the time of purchase.

But for many of us there is another customer aspect with public relations implications even more important in certain respects. It has to do with the after-sale attitude of the customer. This area is properly the concern of the distribution and service ends of the business. But, working with the appropriate staffs, we in public relations can make a valuable contribution. Making use of our techniques of decentralization, timing and the imaginative approach, we can help imbue the organization at the point of customer contact with the kind of service and customer-mindedness that makes the customer a friend and keeps him a friend.

3. Tell People How the Business Works

In our competitive economy every company is a member of a great many production and distribution teams. In General Motors we have a prime supplier network of more than 21,000 firms—small, medium and large. Beyond these first-string suppliers are many times that number of suppliers to suppliers. We are dependent upon them. In effect we act as their selling organizations. We build the end product and take it to the market.

The story of these many extensive and interdependent industrial networks, developed to a high degree in this country, is one few people know. It belies the pessimistic view that the opportunities for small business are diminishing through the encroachment of big business.

4. Work Toward Better Inter-Business Relations

Where human relationships exist, as between people in businesses that work together—manufacturer and supplier, for example—human frailties and deficiencies inevitably creep in. Policies soundly conceived and carefully transmitted down the line somehow often are applied in a manner not in the spirit of the policy.

Above all it is important that business men as a group maintain a clear sense of the function they perform in helping to build America's future. Sound inter-business relationships, actively practiced, are essential in carrying out this function, and in gaining public acceptance of and support for the role of industry in our society.

5. Cultivate a Better Understanding with Intellectuals

In his book, "The General Theory of Employment, Interest and Money," the late British economist John Maynard Keynes observed that "the ideas of economists and political philosophers, both when they are right and when they are wrong, are more important than is commonly understood." Deprecating "practical men, who believe themselves to be quite exempt from any intellectual influences," Keynes went on to say that "soon or late, it is ideas, not vested interests, which are dangerous for good and evil."

Keynes, of course, is the best example of his own analysis.

While we have been happy to note the beginning of a trend in the opposite direction, the writings of many intellectuals today continue to be exercises in theoretical logic only distantly related to verifiable or observable facts about busi-

ness. If these academic men have not bothered to check their theories against the facts of modern business life, this may be due to a feeling that any attempt on their part to do so would be resented by businessmen.

6. Tell What You Stand For

It is strange and disturbing in a great industrial nation that after generations the muckraker view of business and the businessman persists. We see it in textbooks, in current fiction and in moving pictures.

We must tell more effectively what industry stands for. Or, more to the point, in each community what our company stands for. It is broadly assumed, and charged, that industry has set itself against every economic and social advance yet achieved by our people. The facts are that industry's forward strides in technology have underwritten these advances. Conversely, the increasing ability of our people to produce and consume is the fountainhead of industry's own further progress. Here is a mutuality, and not a conflict, of interests.

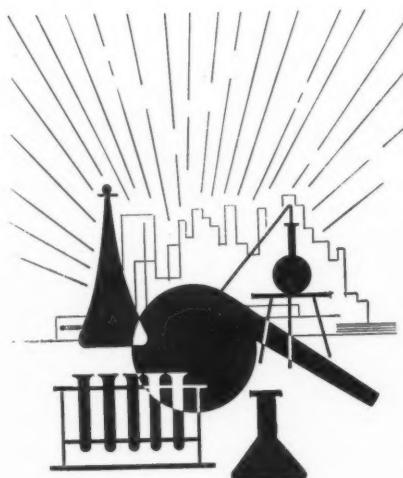
Industry stands for the good life, for the social and economic betterment of all, for the proposition that to produce more with the same amount of human effort is a sound social and economic objective. Industry's position in this re-

spect rests squarely upon the ethical and moral concept of the dignity of the individual. To make this position more broadly understood is a major challenge we in public relations face in the years ahead.

In this new age of rapidly advancing technology and amazing scientific developments, what we need in public relations is a further move to a higher plateau where broad policy considerations may take precedence in greater degree over narrow group interests. Perhaps the time has come when we should no longer tolerate petty differences of conflicting groups unless we are willing to see our society lose some of its present position of strength among the nations.

I would liken such a potential new breakthrough for public relations to that which occurred on the scientific front when we learned how to release atomic energy under controlled conditions. Overnight our energy potential was multiplied by a factor running into the thousands.

One way to multiply the energy potential of our people is to diminish the waste inherent in the frictions that develop from narrow group thinking. In contributing to the accomplishment of this great task, I see the great challenge to our profession and a new dimension for public relations.



REYNOLDS RESEARCH PAYS OFF...

There is new beauty in the world today: anodized aluminum.

To the research scientist "anodizing aluminum" is a technical process; but to others on the Reynolds team . . . and to stylists and designers everywhere . . . anodizing is a process by which aluminum can be finished in a rainbow variety of permanent colors.

Now—although research is as necessary to industry as seed is to the farmer, it is sometimes hard to reckon its value in bookkeeping terms. Yet, Reynolds research is understood and accepted by our friends and neighbors wherever Reynolds plants are located. They know that research pays off in greater employment. They know that each process perfected by Reynolds research will be translated by sales into greater purchasing power in Reynolds plant communities . . . into increased taxes, too.

So—because they understand and support Reynolds research, our neighbors are a welcome part of the Reynolds team . . . a team that works constantly to develop new goods and processes for everyone.



REYNOLDS ALUMINUM
Makers of famous Reynolds Wrap



Customer

Continued from Page 10

pace of airline progress would perhaps have been less than half as fast as history has recorded. But with them, the airlines have been able not only to persuade millions of persons to disregard that basic instinct mentioned above, but to do it again and again and again.

In the "old days"—the nineteen-thirties—it wasn't very difficult to know every passenger and treat him like a V.I.P. Passengers were few; planes were cozy (10- and 21-place); and it took so long to fly between cities that there was time for almost everybody on the airline to get to know the customers and promote a friendly and understanding attitude.

But times have changed. On the passenger manifest of a single 58-passenger plane flying from New York to Seattle recently there could be found names of two newspaper men (one a well-known columnist); an ex-governor; an officer of a bank active in aviation financing; a group of five priests; the transportation director of a large industrial firm; an inspector for the Civil Aeronautics

Administration; several business executives with credentials certifying that they have each flown 100,000 miles or more on scheduled airlines; and (and very important to the airline) three elderly ladies making their first flight. The remaining two score passengers were service men, vacationists, and young mothers traveling with their children.

Airlines are "small" compared with some giant industrial firms, but rarely does a company of any size have an opportunity to deal directly and simultaneously with such a high level group of influential customers. The airlines now are doing it every day. And not only are they daily offering up their end product for direct inspection and criticism by hundreds of top bracket leaders in government, the press, and elsewhere. They are also carrying such large numbers of the general public that a reversal of their popularity trend would be disastrous to their present and planned financial structures.

Should any elected representative receive bad treatment from an airline, the company stands in danger of not only a blast in the local newspaper but, on occasion, unfavorable mention in the Congressional record.

Bad airline customer relations have been known to lead to attempted legislation that would have affected the entire industry. And if an airline gives bad service to a community for an extended period and without adequate reason, it faces tough sledding when it needs "friends in court" for airport improvements or community support for the many route cases constantly coming up as the airline map is going through changes almost day-to-day.

This is also true of the press. If a columnist has a justified "beef" about poor airline service, there's a good chance he'll write a piece on the situation. But like the legislator, he'll also give air transportation a boost if a particularly good job is done. They know they'll be read and listened to.

So the airlines have had to have good customer relations—in the early stages to develop their business, and now, as they enter the mass transportation era, to expand their growth.

Down through the years, customer promotion projects to get business—particularly that of "first fighters"—have been ingenious and many. To name a few, there have been the volume travel plan (the first volume charge-it plan in transport history); wives travel free; the family plan (take the wife and kids

along for half fare). More recently, to lure travelers away from that trip in the family car, the airlines in cooperation with a rent-a-car companies, are now making it easy for their customers to hire automobiles and have them waiting at the airport when the plane arrives.

And many also are the customer-relations devices developed by the airlines, designed to get the "first flight" to contribute his all-important "repeat" business. Among the standard ones apparent to the customer are: no tipping; "free" meals (actually the price of the meal is included in the ticket, but the customer feels it's "on the house"); blankets; games; magazines; tuttle kennels (take your dog along in the same plane); wheel chairs and umbrellas; ad infinitum.

In the case of nine passengers out of ten, good airline customer relations begin with a phone call to reservations. The importance placed on this original contact is indicated by the fact that one airline doesn't consider new "telephone sales" employees qualified to handle a phone call until they have had at least a month's intensive training. And even veterans in this department are subject to monitoring either by a supervisor listening in or an automatic tape recording of their phone conversation.

Constant research is going on in the industry to improve reservations procedures and make it easier and quicker for the customers to get information or reserve space.

Quick and accurate information is a "must" for any company in the "public service" category. A popular innovation instituted by United has been installation of a flight information desk. This department, manned by six operators, has only one duty—to give callers quick and accurate information on movements of individual flights.

Perhaps the most effective step for good customer relations was the introduction of the stewardess back in 1930. Most airline men will agree that the gracious service given passengers by these pretty girls has done more to generate traffic volume than anything else in the field of airline customer relations. Of course, back of this success stands the important factors of high standards, through training and strict selectivity.

Another ten-strike for good passenger relations was cabin pressurization introduced widely after World War II. It's costly and carries a big weight penalty. But without it the airlines wouldn't be

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E-Z STICK-ON Identification BADGES

FOR CONVENTIONS AND MEETINGS

Sticks easily to any garment, without harm. No pins. Printed in any color with emblem or trade mark.

Printed Relations

MY NAME IS
WHITE NAME HERE

Does away with old-style celluloid holders, pins and buttons. Goes on easy . . . comes off easy. Many styles, uses, high in praise. Used at Sales Meetings, conventions, picnics, PR Convention, many corporations, clubs, schools, etc. You will love this name plate badge. Send today for FREE SAMPLES

JACK-BILT CORPORATION
FRANK D. JACKSON, President
906 Central St. • Kansas City 6, Mo.

Theater

Continued from Page 9

the lowest level and reach it so that the story will still be interesting to all levels of intelligence and interests.

Further, for maximum effect, the motion picture must be part of a general presentation. A one-shot showing of a film to a large number of people will persuade only a few. For best results, presentation of a story or point of view must be combined with other media; and in the case of a film, be shown at least twice to the same audience.

Save for the theatrical feature, which is usually known to the viewer through intense advertising before he goes to the theatre, it is necessary for the non-theatrical film to be carefully presented so that the audience is prepared before the picture starts. This is especially true of the training film in which the students should be first briefed and then allowed to criticize both the film and subject matter afterwards. The Armed Forces have found, for example, that carefully prepared films that are conceived and made as an integral part of a training course can shorten the time required for teaching by as much as 40 per cent and still present the material so that the student retains the information so presented for a longer period of time.

The motion picture has further qualities. It can strengthen and increase a person's beliefs and motivations, though it will not by itself create such a motivation.

Although a film is not a substitute for actual experience, it nonetheless can present situations and events in a more graphic and expressive fashion than other media and can bring to an audience the closest approach to reality of all. The best example of this is the film which deals with events, people or customs in a foreign country, for the motion picture is here the closest to actually travelling abroad and, in some cases, is superior because of its power of selectivity which can present more information than the average individual could learn for himself.

Another quality is that of standardization of presentation. Let us say that an individual wants to make the same presentation to a group whose members are scattered and cannot be brought together at the same time. Unless he were able to go himself to each person in turn, he would be forced to use either several intermediaries or a film. Now each intermediary will present the idea in his

own fashion, thereby losing the factor of standardization; but a film would present the same idea in the identical fashion to all, with the result that our original man would be certain that his audience had all received the same presentation.

For training purposes, the motion picture which takes the foregoing into consideration can be of great value and help.

Effective as it is, powerful as it is, the motion picture still has many limitations and inherent weaknesses, some of which have already been mentioned.

The most apparent are the limitations imposed by its mass appeal and standardization. The very fact that it is a mass tool means that it can be slanted to influence or inform the widest audience possible. Now, any time one deals with a mass, the approach must be one that will appeal to the mass and contain the least amount of objectionable material. This, of course, will result in a weaker presentation than one designed for a specific audience, and the latter then becomes the key to the problem. It is imperative that before any film—or, for that matter, any presentation of ideas—is made, an analysis of audience must be made and the presentation be prepared to fit the particular circumstances. A selected audience can be a vast one and not necessarily a handful, but what they believe and how they react must be considered before any other step is taken.

The more I have worked with film, the more I am convinced of the basic common sense of the Aristotelian principle of unity. Since the film medium can illustrate so vividly so many different facts of a question, I do not agree that a motion picture can be limited to one time and place, but it must, I feel, concern itself with one problem or story. We have seen time and again how unsuccessful the result is when a motion picture tries to tell more than one unrelated story, and I am afraid that, from my own experience, it is all too common a tendency to try and pack as much as possible into one film. You can only end up with a hodge-podge which vitiates whatever you are attempting to get across.

The mention of the limitations and weaknesses of the motion picture has only been made so that they can be turned into positive strengths. To sum up, therefore, let us say that the limitations of audience can be met by a thorough understanding of the group or groups to which the film is aimed and that this knowledge be made a positive

tool in preparing the film itself. As for standardization, it must be remembered that the film will tell the same story to many people and that because of this, variations may have to be made depending on the audience to which it will be shown.

The remaining limitations are largely technical: the need for orientation of the audience before screening the film, the desirability of showing a film twice to a group for maximum penetration of ideas (this is especially true of training films), and the relative ineffectiveness of pictures about purely organizational matters in comparison with stories that have a human interest value.

I have spent so much time on the strengths and weaknesses of the motion picture because of its effectiveness as a means of communication. Its importance in the field of public relations has long since been recognized, but greater stress can still be placed on the advice to corporations on their film programs. It cannot be too strongly stressed that the best time for this is during the early planning phases, for it is here that advice should be given as to what methods of communication should be used. It is interesting to note that FOA and now ICA have tried for several years to make foreign governments realize that a communications advisor should sit in on planning for any presentation of training program so that once the idea has reached fruition, communication plans will likewise have been prepared and can be put into operation at once.

Where could an advisor come from here? Should he be a member of the corporate staff, the film producer or an outside advisor? Personally, I feel that the outside advisor is the best fitted of them all, since the corporate officer will usually have too many problems of his own to worry about, to say nothing of the internal politics involved, and often does not have enough of the technical background needed to give the best advice.

Regarding the film producer, he is immediately prejudiced in favor of his own medium, will not usually know enough about the corporation and its particular problems or enough about how motion pictures would fit into an overall communication presentation.

But the public relations advisor to a corporation is in the best position since he knows the past history and problems of the corporation intimately and has the additional staff of generalists and

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Books In Review

THE ROAD TO SERFDOM, (New Edition) by Friedrich A. Hayek, 250 pages. University of Chicago Press, Phoenix Books. \$1.00

Reviewed by CRAWFORD WHEELER
Vice-President
The Chase-Manhattan Bank

Here is a new popular edition of Professor Hayek's brilliant and devastating analysis of "national planning" in actual experience. First published in England in 1944 while World War II was in its crucial stage, it is a fascinating book to re-read now, after twelve years of post-war reconstruction and change.

Professor Hayek, formerly on the faculty of the University of London, provides an illuminating perspective in a new foreword included with this 1956



Mr. Wheeler

edition, printed from clean legible type in pocket format. Since 1950 he has been a member of the Committee on Social Thought of the University of Chicago.

Emphasizing the fact that his analysis of "the planned society" (or "the totalitarian state") was designed for English readers in wartime, he mentions his surprise at the reception the book had in 1944 in the United States, where the spell of New Deal collectivism still had

a strong hold on the minds of many people. Remember?

"Opinion moves fast in the United States," Mr. Hayek comments, "and even now it is difficult to remember how comparatively a short time it was before 'The Road to Serfdom' appeared that the most extreme kind of economic planning had been seriously advocated and the model of Russia held up for imitation by men who were soon to play an important role in public affairs.

"The whole intellectual climate in the United States at the time 'The Road to Serfdom' appeared was thus one in which it was bound either profoundly to shock or greatly to delight the members of sharply divided groups.

"If twelve years ago it seemed to many almost sacrilege to suggest that fascism and communism are merely variants of the same totalitarianism which central control of all economic activity tends to produce, this has become almost a commonplace. It is now even widely recognized that democratic socialism is a very precarious and unstable affair, ridden with internal contradictions and everywhere producing results most distasteful to many of its advocates."

Professor Hayek goes on to say that although the illusions of socialism have been discarded even by its leaders, some of its concepts have penetrated far too deeply into the structure of current thought to justify complacency. He reminds us that many persons still believe in measures which, though not designed to completely remodel the economy, in their aggregate effect may well unintentionally produce that result.

"Just because in the years ahead of us political ideology is not likely to aim at a clearly defined goal but toward piecemeal change," he tells us, "a full understanding of the process through which certain kinds of measures can destroy the bases of an economy based on the market and gradually smother the creative powers of a free civilization seems now of the greatest importance."

It is his thesis that even a strong tradition of political liberty is no safeguard if the danger is precisely that new institutions and policies will gradually undermine and destroy the spirit of liberty among the people.

Professor Hayek's book is scholarly, objective and unimpassioned in its exposition of how political collectivism has crushed individual freedom in every country where it has been adopted. It is a good thing to review his analysis of totalitarian utopias and remind ourselves of history's lessons in the light of today's "cold war" conflict between the Free World and the Communist system.

"It is essential," Hayek declares, "that we should re-learn frankly to face the fact that freedom can be had only at a price and that as individuals we must be prepared to make severe material sacrifices to preserve our liberty. If we want to retain this, we must regain the conviction on which the rule of liberty in the Anglo-Saxon countries has been based and which Benjamin Franklin expressed in a phrase applicable to us in our lives as individuals no less than as nations: 'Those who would give up essential liberty to purchase a little temporary safety deserve neither liberty nor safety.'"

This is a book for the thoughtful to use in fortifying their memories and their opinions about basic political forces in the world today.

I'D RATHER BE PRESIDENT, by Charles Ellis and Frank Weir. New York, Simon and Schuster. \$2.95.

Reviewed by WILLIAM W. WESTON
Assistant Director of Public Relations
Sun Oil Company

This is a funny book. There's nothing difficult about it, except trying to figure out how serious its authors, both *Philadelphia Inquirer* staffers, really were. It's best not to try.

The book carries a sub-title: "A Handbook for Expectant Candidates." It might as well be called: "How to be All Things to All Men," or maybe even: "Why Businessmen Aren't as Popular as Presidential Candidates."

It definitely isn't recommended reading for young idealists.

But enough of this philosophizing. We're ready to declare that Charlie Ellis and Frank Weir wrote the book purely to have some fun and to share it with every observer of the political scene; that the jaundice in their respective reportorial eyes only seems to lurk behind every apostrophe if you're an old cynic.

As a practical handbook, nothing could be more down-to-earth practical. The book speaks directly to YOU, and it tells you precisely what to do, what to

GELLENDRÉ AND BOWDITCH, INC.
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Planning and Staging
The NINTH NATIONAL PRSA CONFERENCE
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The ONLY Clipping Bureau reading over 3,500 trade and class publications, as well as every English language daily and 80% of the weekly field.

LUCE PRESS CLIPPING BUREAU
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406 West 34th Street 715 Harrison Street
Kansas City 11, Mo. Topeka, Kansas
Write or Phone for Details

say, and how to behave under every conceivable situation from your first, firm denial that you are a candidate to the tone you should strive for in your telegram to your defeated (or victorious, as the case may be) opponent.

Example: "Your official campaign portrait should show you as youthful but mature, with an expression of integrity that might also suggest grimness were it not for the relieving lines of humor about the mouth. Any competent photographer can arrange this."



Mr. Weston
the "Rule of But and However."

Example: "Your resistance to physical strain and discomfort may be proved by a ride in a convertible, top down, during a cloudburst. Wave to onlookers with your battered campaign hat (an assistant should batter one for you) and let the rains descend. Knowing enough to come in out of the rain is considered one of the more rudimentary intelligence tests. It does not apply to candidates."

In some cases the authors lay down inviolable rules ("When you tee off on the opposition, guard against a careless tendency to cite facts") and in others they merely suggest things that would be helpful ("When in doubt, apply the basic rule of politics: a little of both").

So far as the basic stance is concerned, it's wonderfully good to know that an appearance of frankness is the best thing. But only the *appearance* of frankness, mind you. Genuine frankness makes people vaguely uneasy.

Since the book has just been published, it isn't likely that any candidate you have known could have read it and applied most of the techniques described; you only *think* so.

DON'T GO NEAR THE WATER, by William Brinkley. New York, Random House. \$3.95

Reviewed by WILLIAM H. MYLANDER
Administrative Assistant
Public Relations Department
E. I. du Pont de Nemours and Company

Here we go again. This hilarious best seller puts navy blues on the man in the gray flannel suit. The novel describes the unbelievable antics of an improbable public relations staff on an imaginary

(This admonition, incidentally, demonstrates how capably the authors could apply one of their own principal rules in campaign speech-writing. It's the "Rule of But and However.")



Job of the Annual Report

"The modern annual report seeks to get information across easily, not only to the expert reader of the tabular material, but to the far larger number of non-expert people who have their money in the business. It seeks to convey key facts simply, clearly, and rapidly, as well as accurately. It has to do so in a setting which conveys the dynamics of the business, its selling energy, its participation in research and development for the future, its know-how in labor relations, its good manners."

—JAMES COPE, Vice-President-Public Relations, Chrysler Corporation, before Controllers Institute, Detroit, Michigan

Must Tell the Story

"Business cannot afford much longer not to tell its story—fully and frankly and forcefully. Telling it properly can only help to show how much business is contributing to prosperity for the benefit of all in the community. The full integration of employees and the public with the effort of business seems essential. Yet the values of business are too often misunderstood."

—MELVIN H. BAKER, Chairman of the Board, National Gypsum Company, before American Management Association

Just Not Too Smart

"Businessmen who do nothing to heighten public enthusiasm for the vol-

untary enterprise system are comparable to unscientific farmers who 'mine' the soil, always taking something out and not using fertilizers or crop rotation to restore the good earth."

—M. S. RUKEYSER, NEW YORK JOURNAL AMERICAN, June 30, 1956

Wanted: Imagination

"Not too many years ago, weird ideas having to do with something called 'television,' and others promising propeller-less airplanes, were greeted generally with indulgent skepticism. But times have changed. Today imaginative thinking has taken hold. Tell us that in twenty years we may be taking trips to the moon, and we are ready to buy a reserved seat on the first excursion. The scientist—the chemist, the physicist, the engineer — have taught us to accept imaginative thinking, and to lay aside our instinctive reaction that 'it can't be done.'

"We need this kind of thinking in our development of human talents. We need it badly and soon. We need the creative imagination, the boldness, the refusal to accept the obvious or to recognize the 'impossible.' Our problems are big: they need big solutions."

—NEIL McELROY, President, Procter & Gamble Company, in commencement address, M.I.T., June 8, 1956

**METROPOLITAN LIFE
INSURANCE COMPANY**

BECAUSE WE MAINTAIN THE MOST COMPLETE SERVICE AVAILABLE FOR THOSE
WHO DEMAND THE HIGHEST STANDARDS IN CREATIVE MOTION PICTURE
AND SLIDEFILM PRODUCTION

Public Relations, Motivation



Sales Promotion, Training

Quality Films to Fit Every Budget

TRANSFILM

INCORPORATED

35 West 45th Street, New York 36, N. Y.

Brochure on request

We Would Like To
BUY or MERGE
a Public Relations Agency

This strongly staffed, medium-sized, well financed, "conservative" but "progressive" New York agency with blue chip industrial accounts would like to buy or merge one or more small to medium sized agencies to speed expansion of facilities. Particularly interested in N. Y. operations but would consider firms in other cities if well staffed.

ALL CORRESPONDENCE
COMPLETELY CONFIDENTIAL

Write Box 15

Public Relations Journal
2 West 46th Street
New York 36, N. Y.

BACON

**SPECIALIZES
IN MAGAZINES**

Bacon offers complete clipping coverage of magazines. Not just a few publications but over 3200 business, farm and consumer magazines. The reason is our *proven technique*, developed over 24 years of clipping bureau experience:

GUARANTEED READING LIST

Our complete list published in Bacon's Publicity Checker. Special department checks in all magazines and subscriptions daily.

READER'S MANUAL

Each reader gets cross-indexed instruction manual, up-to-date for every account, every day.

NO FARMING OUT

Each reader trained, works full time on our own premises. We *neither buy nor sell clippings to other bureaus*.

NO QUOTAS

Well paid employees take time required to provide neat, complete, accurately identified clippings.

For further details on service and charges, send for our new Bulletin 156.

BACON'S CLIPPING BUREAU
343 South Dearborn St., Chicago 4, Ill.



Books

Continued from Page 25

South Pacific base toward the close of the Second World War. There is ample sex for Hollywood purposes, and public relations is taken for the usual unflattering ride.

The author is a *Washington Post* alumnus now with *Life*. He served four years in the wartime Navy. As he says, reporters seldom bothered the Navy before Pearl Harbor. Those who did "were treated as identified enemy agents dedicated to filching its innermost secrets." The war changed all that. Even the gruffest of admirals began to recognize the need for a favorable press—if only for reasons of morale and appropriations.

Old Washington hands believe that on the whole, the Navy did an excellent job with its newly founded public relations program. The men at the top, such as Leland Lovette and Bob Berry, were superb, even though they had been trained as line officers rather than in PR. They did know the Navy, and they quickly became familiar with the problems of press and radio.

It was frequently a different story in the naval districts and combat areas. Here the public relations assignment usually was given to reservists who knew as little about the Navy as they did about PR. Some of them were so intimidated by rank and channels as to be useless. Others sought promotion and recognition through press agency of the most flagrant type.

It can hardly be denied that in the later stages of the war, the Navy—and the Army—became so enthusiastic about public relations that they adopted the old theory of being "fustest with the mostest." A vast section of the Pentagon was filled with files, mimeograph machines, and officers who shuttled inquiring correspondents from one to the other. If this made it hard sometimes to get news, there was surely no lack of copy.

Unfortunately, Mr. Brinkley's novel gives the impression that a Navy public relations man on Tulura valued slickness above integrity, worked no more than three hours a day, consumed at least a fifth of whiskey every 24 hours, and possessed the morals of an alley cat.

Author Says Critic Of Novel in Error

In our recent review of George de Mare's novel, "The Empire," it was noted that Mr. de Mare had once been employed by the Bell System and that "The System" referred to in the novel "is undoubtedly Bell." It was also stated that "Mr. de Mare must have been terribly unhappy in his job, for he views all about him with a jaundiced eye . . ."

Mr. de Mare has entered a dissent on both counts. He writes: "The corporation in the book is purely imaginary and in no way reflects any existing corporation except that it happens to be in the communications field—the only field I knew well enough to impart authenticity. The Bell System, usually considered the model of my imaginary corporation, is in my opinion the finest business organization in the country and it shares less than usual those darker aspects of corporate life depicted in 'The Empire.' Also its people, unlike a few in 'The Empire,' are intelligent, progressive and enlightened."

As to the conclusion that he was unhappy in his work, Mr. de Mare has this to say: "Nothing could be farther from the case. I spent some twelve years in this organization, enjoyed every moment of it, and left with regret only when it became obvious that my literary career, as expressed in 'The Empire,' ended my usefulness to them."

Theater

Continued from Page 23

specialists who can see not only what should be included in a film but, even more important, can also advise as to what other means of communication can be employed so that the story will be told or the idea presented, with maximum effectiveness.

The public relations advisor must understand further not only what a film should or should not include, but also how it can be utilized and distributed. He should be able to advise on the use of films both within the corporation and for presentation to the public so that the corporation's story can be effectively told. He must likewise understand the advertising aims of the corporation, since a corporation's public relations have in a degree an ultimate effect on sales. In this connection, it is felt that a corporation's public relations should be within the broad sweep of the corpo-

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Advertising

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the art of communication. He said, "The effectiveness with which an idea is projected depends upon the sharpness and simplicity with which it is defined before being put into the form of an advertisement." In product advertising it is relatively easy to isolate and sharpen the major product claims. Not so with ideas. If you doubt it, try it. Try, for example, to reduce to a single, short, and sharp paragraph, the concept that capitalism creates jobs; or how profits improve our living standards; or what your company has done to make your community a better place.

This task, indeed, may be the most difficult part of any institutional advertising program. But unless it is done, the message you attempt to project will not get across.

3. Having decided to advertise, be sure that you make a real impact when you do. This means that it is far better to use one medium, or even one publication, and dominate, than it is to spread thin over a large schedule.

This is the age of all kinds of competition for public attention. The only way to give your story a fighting chance against competition is to speak loudly and clearly when you speak. If you have a cut back on a budget, shorten the media schedule, not the amount of space. One ad that is seen and remembered by the readers of one publication is far better than ads that are skimmed over by the readers of 100 publications.

4. Use pictures, not words. If you are going to be listened to, throw away that carefully prepared copy, every word of which has been approved by the entire Board of Directors, and start over with one really good picture idea. Then put a few well-chosen words at the bottom and your ad will be better read and understood. Current research on readership and recall bears this out.

Pre-testing a few ads (which, incidentally, is always a good idea) will quickly convince you that the picture is still worth a thousand words. The importance of pictures takes on particular significance, of course, in the television age. The power of television is enormous and institutional advertisers of today need to know when and how to use it.

Professional Directory



PUBLIC RELATIONS COUNSELLORS

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36 YEARS
EXPERIENCE IN
REGIONAL AND
NATIONAL PROGRAMS

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NEW YORK 36, N. Y.
Johnston Building
CHARLOTTE 2, N. C.

in
the
Southwest

THE GAIN ORGANIZATION, INC.

Public Relations

3900 LEMMON AVENUE DALLAS 10, TEXAS
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OUR SPECIALTY IS

*Financial Public Relations &
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Specialists in . . .
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Public Relations

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NATIONAL
INTERNATIONAL
AND REGIONAL SERVICE
777 14TH STREET, N.W.
WASHINGTON 5, D.C.



Washington Representation

Weston Smith Associates

*Send for Booklet:
Financial Public Relations and
Investment Community Liaison*

33 Rector Street, New York 6
HAnover 2-8160

ally changes slowly. So, in designing institutional advertising that is to sell ideas, design something you can live with for a long while and don't expect results tomorrow.

As one of the wisest men in our craft once observed, "The greatest Teacher who ever lived had only 12 disciples when He died."

5. Finally, once started, stay with it. Intermittent starting and stopping of an advertising campaign is disastrous. It is far better not to start at all. Advertising and public relations successes are chalked up by dint of continuous unrelenting effort month after month and year to year. Public opinion can be changed, but it usu-

Customer

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carrying anywhere near the traffic volume they are enjoying today.

It took years of experimentation and many a research dollar to develop a public address system satisfactory for use on airplanes. But properly used it takes place alongside the new thunder-storm radar as one of the most effective instruments for good customer relations ever devised.

Underlying the apparent efforts enumerated here to have good customer relations is a basic management philosophy which originated in the old days of "emergency" and "luxury" air travel and has carried through to the present. In fact some of the broad principles evolved during the era of the "cozy" 10- and 21-passenger planes are the foundation of good passenger relations today.

Some twenty years ago, in recognition of the important part customer relations were to play in airline development, United Air Lines set up a separate "passenger service" department responsible for good customer relations in the cabin and at the airports. It was a radical departure from general industry practice, which had put these activities either under sales or operations. To head it up the company appointed Donald F. Magarrell, a former hotel executive and made him a vice president with headquarters in United's elaborate Customer Service center in Denver. Let Magarrell tell about some of the things he has attempted to meet the change from a few hundred passengers a day to more than 20,000, from a 10-passenger to a 64-passenger plane, from a small working force to a big one—and still produce good passenger relations. He says:

"One of the underlying principles of

our customer relations philosophy is the placing into small groups both our passengers and our employees. We want to carry forward our contacts on an intimate and personal basis.

"As planes have increased three or four times in size, we have tried to retain a feeling of intimacy in contact with passengers by physical separation within the cabin into small groups.

"At Denver we follow the progress of every flight and thus are able to monitor its ontime performance. This enables us to give personal attention to the needs of individual passengers for connections in the event of trip delays.

"In our Passenger Relations section at the Denver Base we do not have stereotyped form letters similar to the old bedbug letter procedures. Each letter is handled individually, and we give special attention to the complaints. We view any dissatisfied customer as an opportunity for making a sale.

"One of our problems in these days of big working forces is to maintain the same high level of spirit and morale at a large station that comes more easily at a smaller station. And we find it helpful if we can impress on public contact employees—the stewardess, for instance—their own importance and the importance of their work to the company. We are continually working at it."

For some time Magarrell has been working on the problem of maintaining good customer relations in the face of changes the public will face when the jets come in in 1959. These 550 mile-per-hour craft will dwarf the largest DC-7s of today and carry upwards of 100 passengers.

To help solve Magarrell's jet problems and sundry others, United has built a huge mock-up of the passenger compartment of the DC-8, the plane it has chosen to carry it into the competitive jet age. The mock-up cost \$100,000 and it is guarded day and night. Inside of it United's technicians have been working feverishly for months to develop an interior and system of serving its passengers that will not only result in more profit but also better customer relations.

In 1959 the results will be trotted out for all to see. The public will be the judge.

Theater

Continued from Page 26

rate interests and should not be divorced from them!

This last point makes us realize that a film, if correctly handled, can be uti-

lized for more than one purpose. We have already seen that different language tracks can reach larger audiences and by re-editing and reworking and recording new narration, a film can reach different groups at slight additional costs. But it must also be realized that film once shot can be reused for additional purposes and can often be included in more than one picture.

To sum up, we have discussed the various strengths and limitations of the motion picture as a means of communication. By avoiding some of the pitfalls, we can lessen the weaknesses and turn them to a positive result. We have considered who the best group would be to advise a corporation as to the best medium to use to tell a particular story and have concluded that the public relations counsel was best fitted for the job. Through his knowledge of the various media, he can best advise as to what portion of the story can be most effectively presented and, if he is outside the corporate structure, can to an even greater extent advise both as to content, form and distribution. He should further be alert to the various uses of film, as he is of all media, both within the corporation as well as in the telling of the corporation's ideas or story to the general public, special groups and, by extension, to the rest of the world.

Living as we do in a world growing ever more interdependent, it becomes increasingly important that the story of the American corporation be told in all media most effectively.

Conference—Continued

and "Publications as a PR Tool." Between 4 and 5:10 p.m. the final six workshops will be held—"How to Use TV in PR," "PR in Economic Education," "PR in Community Relations," "PR for Health, Welfare, and Charitable Organizations," "Publicity in PR," and "PR Problems of Mergers."

At 7 p.m. Tuesday, various chapters of PRSA will give cocktail receptions and at 8 p.m. the Annual Dinner will be held, with a speaker to be announced later.

The Fourth General Session which will take place at 9:30 a.m. Wednesday, will cover the topic, "What Does Management Expect of PR," and at 11:10, the Fifth and final General Session, "Where Is the PR Man Management Wants Coming From in 1956?"

Following the 1 p.m. cocktail party and buffet luncheon, the Conference will adjourn at 2:30 p.m. Wednesday.

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